

completion of the *Two-Way NPRM* is now even more imperative given that wireless cable operators have recently initiated successful launches of digital wireless cable systems in a number of markets, and are expected to continue doing so in the near future. The first digital wireless cable systems have already been launched in Los Angeles by Pacific Bell, by GTE in Hawaii, and by BellSouth in New Orleans, Atlanta, and eventually a number of other major markets throughout the Southeast.^{37/} Other wireless cable operators are expected to follow suit, meaning that by the end of next year many incumbent cable operators in major markets will for the first time face competition from a second multichannel provider with digital capability *and* the capacity to deliver two-way services such as high-speed Internet access to subscribers. Accordingly, WCA submits that the public interest strongly militates in favor of a speedy resolution of the *Two-Way NPRM* so that the competitive potential of the wireless cable industry may finally be fulfilled.

III. CONCLUSION.

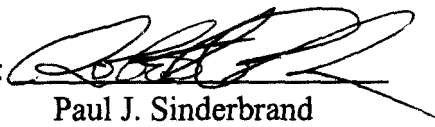
The past year has yielded substantial progress toward a fairer, more pro-competitive regulatory environment for alternative MVPDs, and WCA looks forward to the Commission's continued efforts in that regard. As discussed above, however, it has become clear that the Commission's vision of providing consumers with a *bona fide* choice of MVPD providers cannot come to fruition absent legislative relief that unshackles the Commission from outdated statutory

^{37/} See, e.g., Barthold, "Wireless Crossroads: Digital, Data and Telephony," *Cable World*, at 93 (June 29, 1998) [noting, *inter alia*, that BellSouth has launched digital wireless cable systems in New Orleans and Atlanta, and is scheduled to launch additional systems in Orlando, Jacksonville and Daytona]; Hogan, "GTE Steps Up Marketing Efforts in Hawaii", *Multichannel News*, at 34 (July 20, 1998).

restraints that inhibit the very same competition that the Commission is attempting to promote. WCA thus strongly believes that the above-described legislative recommendations, combined with the Commission's ongoing assessment of its program access, ownership attribution and inside wiring rules, and near-term completion of the *Two-Way NPRM*, represent the best formula for producing exactly the type of proactive, public interest-minded regulation which the current MVPD marketplace requires at this time. WCA thus urges the Commission to act ahead of the curve and initiate the actions recommended above.

Respectfully submitted,

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July 31, 1998

EXHIBIT 1

PROPOSED AMENDMENT TO CABLE/MDS OWNERSHIP RESTRICTIONS

PROPOSED, that the Communications Act of 1934, as amended, be amended to modify the Cable/MDS cross-ownership restriction as follows:

1. Section 613(a) (47 U.S.C. 533(a)) is amended as shown below:

(a) ~~It shall be unlawful for~~ The Commission may promulgate rules prohibiting a cable operator ~~from~~ to holding a license for ~~multichannel~~ multipoint distribution service, or ~~from~~ to offering satellite master antenna television service separate and apart from any franchised cable service, in any portion of the franchise area served by that cable operator's cable system. In the event that the Commission promulgates such rules, The Commission --

(1) shall waive the requirements of ~~this paragraph~~ its rules for all existing ~~multichannel~~ multipoint distribution services and satellite master antenna television services which are owned by a cable operator on the date of enactment of this paragraph;

(2) may waive the requirements of ~~this paragraph~~ its rules to the extent the Commission determines is necessary to ensure that all significant portions of a franchise area are able to obtain video programming; ~~and~~

(3) shall exempt from the requirements of its rules any otherwise prohibited cross-ownership that would not have a material anti-competitive effect on the relevant market or that would otherwise serve the public interest;

(4) shall exempt from the requirements of its rules any interest in a cable operator, a multipoint distribution service, or a satellite master antenna television service that is located in a non-urbanized area of fewer than ten thousand persons; and

(5) shall not apply the requirements of ~~this paragraph~~ its rules to any cable operator in any franchise area in which a cable operator is subject to effective competition as determined under Section 623(l).

EXHIBIT 2

**PROPOSED AMENDMENT TO AUTHORITY TO
REGULATE SERVICES, FACILITIES AND EQUIPMENT**

PROPOSED, that the Communications Act of 1934, as amended, be amended to clarify the authority of the Federal Communications Commission with respect to the promulgation of rules relating to cable inside wiring as follows:

Section 624(i) (47 U.S.C. 544(i)) is amended by inserting the following language at the end of the section:

“; the provisions of this subsection shall not be construed to limit the authority of the Commission to regulate the disposition or sale of home run wiring (as that term has been defined by the Commission) or to define the demarcation point for subscriber wiring at any point within a multi-family dwelling unit building”

EXHIBIT 3

**PROPOSED AMENDMENT TO
SPECTRUM AUCTION AUTHORITY**

PROPOSED, that the Communications Act of 1934, as amended, be amended to clarify the status of the 1993 ITFS auction exemption as follows:

Section 309(j). Spectrum Auction Authority

Insert at the end of section 309(j)(2)(C) the following:

“and for licenses in the Instructional Television Fixed Service.

CERTIFICATE OF SERVICE

I, Deanna L. Susens, hereby certify that true copies of the foregoing Comments were served this 31st day of July 1998, by ensuring the hand delivery of said Comments to the following:

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